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July 15, 2008

Bill Fenwick, Esq.  
Fenwick & West, LLP  
Silicon Valley Center  
801 California Street  
Mountain View, CA 94041

Re: *Churchill v. Bargetto, et al.*, Case No. CV-03007: Pre-Mediation Conference Summary

Dear Mr. Fenwick:

This letter confirms the substance of our pre-mediation conference with you today at 1:00 p.m. Please advise if we missed any key issues.

David Morales and Jon McMahon attended the conference on behalf of plaintiff and defendants, respectively. Defendants proposed that the mediation deadline be re-scheduled until after discovery closes. The parties will resolve any issues related to re-scheduling and forward their proposed stipulation to Mr. Fenwick for approval. The parties selected a tentative date of October 14, 2008 for mediation. Mediation Briefs and supporting documentation shall be due no later than ten (10) working days prior to the mediation.

Should the Court deny the parties' stipulation to re-schedule the mediation deadline, the mediation shall proceed on July 29, 2008 at 9:30 a.m. at Mr. Fenwick's Mountain View offices. Mediation Briefs and supporting documentation shall be due no later than July 22, 2008. The briefs shall be limited to ten (10) pages, double-spaced, and fifty (50) pages of supporting documentation (with pertinent portions highlighted). The briefs must provide each party's last settlement position, as well as statements of fact and law in issue.

Plaintiff Marilyn Churchill will attend the mediation with her counsel, Mr. David Morales. Defendant John Bargetto will attend the mediation on behalf of himself and on behalf of the corporate defendant, Bargetto's Santa Cruz Winery, along with their counsel Mr. Bruce Piontkowski. Defense counsel confirmed the existence of insurance covering the asserted claims and agreed that an insurance representative will also attend the mediation. Defense counsel will promptly identify the insurance representative. All parties must attend the mediation with full settlement authority.

Very truly yours,



David P. Morales